

AGENDA
THE ST. LOUIS LOCAL DEVELOPMENT COMPANY
REGULAR BOARD OF DIRECTORS MEETING – VIA ZOOM
THURSDAY, JUNE 11, 2020, 3:00 p.m.

Due to the current COVID-19 pandemic and the Health Commissioner's Order No. 9, this Board Meeting will be conducted electronically.

In order to ensure that all Directors and the public are able to connect successfully, we recommend that you call in or join via Zoom (for video) starting at 2:45 p.m. to allow time to troubleshoot any connection issues. The host will open up the phone line and initiate the Zoom meeting at that time. Should you have a problem accessing the meeting, please call (314) 657-3708 for assistance. The Board of Directors and the public are able to access the meeting in two ways:

Via Zoom at: <https://us02web.zoom.us/j/82213135145> Webinar ID: 822 1313 5145 and Password: 542029

Via Phone at: (312) 626-6799 with Webinar ID: 822 1313 5145

Zoom may be accessed at www.zoom.us, and instructions on its use are available at: <https://support.zoom.us/hc/en-us>

ACCESSIBILITY: Persons who need accommodations relating to accessibility should contact Amanda Bloomfield at bloomfielda@stlouis-mo.gov or by phone at (314) 657-3708, or (314) 589-6000 (TTY). Prior notice of two business days is recommended for accommodation requests.

1. Call to Order and Roll Call – Loura Gilbert
2. Approval of Minutes – May 14, 2020 Regular Board Meeting
3. Resolution 20-LDC-04 – Approving a Loan to Cornerstone - STL, INC. – Tim Bohnert
4. Amended Resolution 20-LDC-01 – Approving a Loan to Go! Machine, LLC and goBRANDgo, LLC – Tim Bohnert
5. Resolution 20-LDC-05 – Ratifying Addendum to Memorandum of Understanding and Addendum to Commercial Security Agreement Regarding Small Business Resource Program – Tim Bohnert
6. Update on SBA 504 Loan Program and Other Loan Activity – Tim Bohnert
7. Other Business
8. Closed Session – If needed, pursuant to Mo. Rev. Stat. § 610.021, which provides for closed session discussion of the following: (1) legal actions, causes of actions, or litigation, pursuant to § 610.021(1); (2) the hiring, firing, disciplining, or promoting of particular employees, pursuant to § 610.021(3); (3) sealed bids, proposals, and related

The official Agenda was posted on the bulletin board in the lobby of 1520 Market Street prior to 2 p.m. on June 10, 2020, and items may be withdrawn or modified before or during the public meeting at the discretion of the Board.

documents and documents related to negotiated contracts, pursuant to § 610.021(12); (4) individually identifiable personnel records, performance ratings, or records pertaining to employees or applicants for employment, pursuant to § 610.021(13); (5) records protected from disclosure by law, pursuant to § 610.021(14); and/or (6) confidential or privileged communications with auditors, pursuant to § 610.021(17).

9. Next Board Meeting scheduled for July 9, 2020
10. Adjournment

THE ST. LOUIS LOCAL DEVELOPMENT COMPANY
BOARD MEETING (VIA TELECONFERENCE)
THURSDAY, MAY 14, 2020, 3:00 P.M.

MINUTES

DIRECTORS PRESENT: Loura Gilbert, President
(all by phone) James Seitz, Vice President
David McCreery, Treasurer
Steven Buesching, Secretary
Howard Hayes
Don Reeves
Anne Gliedt

DIRECTORS ABSENT: T. Christopher Peoples and Rabiuh Ahmad

STAFF PRESENT: Rodney Crim, Timothy Bohnert, Otis Williams, Zack Folk,
Linda Behrmann, Chris Maguire, and Bonnie Wade

COUNSEL PRESENT: Jacqueline Harris

GUESTS PRESENT: None

MEDIA PRESENT: None

CALL TO ORDER AND ROLL CALL

A quorum being present, President Loura Gilbert called the Regular Board Meeting to order on Thursday, May 14, 2020, at 3:04 p.m., and asked for a roll call. Seven Directors were present, and two Directors were absent.

Roll Call:

Director Seitz – Here
Director McCreery – Here
Director Buesching – Here
Director Hayes – Here
Director Reeves – Here
Director Gliedt – Here
Chair Gilbert – Here

APPROVAL OF MINUTES

Chair Loura Gilbert asked for a motion to approve the Minutes of the March 19, 2020 Special Board Meeting with a minor correction in the list of attendees. Director Reeves moved to approve the Minutes of the Special Board Meeting, and Director Gliedt seconded the motion. Following a roll call vote, the Resolution was approved unanimously with all seven directors present voting Aye.

Roll Call:

Director Seitz – Aye

Director McCreery – Aye

Director Buesching – Aye

Director Hayes – Aye

Director Reeves – Aye

Director Gliedt – Aye

Chair Gilbert – Aye

DISCUSSION OF SMALL BUSINESS RESOURCE PROGRAM

Rodney Crim stated that the Small Business Resource Program was begun by the LDC team with seed money of \$400,000 for businesses impacted by the COVID-19 pandemic. A coalition of 10 area banks added \$500,000 to the program, split equally between the City and the County. US Bank also provided a grant of \$50,000, split equally between the City and the County. The City used the \$675,000 in funds that it had to make 135 loans in the amount of \$5,000 each. Mr. Williams said that a map showing the location of the businesses receiving the loans in the City would be sent to the board members after the meeting.

UPDATE ON SBA 504 LOAN PROGRAM AND OTHER LOAN ACTIVITY

Tim Bohnert discussed the status of various SBA loans.

OTHER BUSINESS

Tim Bohnert and Otis Williams praised all staff members who assisted with processing the loan applications for the Small Business Resource Program. Rodney Crim mentioned that the team was having discussions with the Economic Development Administration (“EDA”) about applying for additional funding assistance, and said that more information would be provided to the board later.

NEXT BOARD MEETING

The next meeting of the Board is scheduled for Thursday, June 11, 2020, at 3:00 p.m.

ADJOURNMENT

There being no further business, Chair Gilbert asked for motion to adjourn; Director Hayes moved to adjourn; the motion was seconded by Director McCreery; and all were in favor of adjourning. The meeting adjourned at 3:56 p.m.

Respectfully submitted,

Loura Gilbert, President

AMENDED RESOLUTION NO. 20-LDC-01
PRESENTED TO THE BOARD 06/11/20

TO: THE ST. LOUIS LOCAL DEVELOPMENT COMPANY BOARD OF
DIRECTORS AND OTIS WILLIAMS, EXECUTIVE DIRECTOR

FROM: TIMOTHY BOHNERT

RE: RESOLUTION APPROVING A LOAN TO THE GO! MACHINE, LLC AND
GOBRANDGO, LLC

EXECUTIVE SUMMARY:

On January 9, 2020, this Board approved an SBA 504 loan in the amount of \$940,000 to The go! Machine, LLC and goBRANDgo, LLC, both owned by Derek Weber and Brandon Dempsey, in connection with the purchase and renovation of a building located at 8221 Minnesota Avenue. A portion of the loan proceeds was be used for the purchase of furniture, fixtures, and equipment. Since that time, the project costs have increased and a different lender will be providing financing for the project. This amended resolution asks the Board to approve an increased loan amount of \$956,000.

BACKGROUND:

GoBRANDgo, LLC is a full-service marketing agency, owned by Derek Weber and Brandon Dempsey, that advises mid-market manufacturing companies. The firm has outgrown its current space at 3301 Wisconsin Avenue and plans to move into a former school building located at 8221 Minnesota Avenue in the Patch neighborhood. The building is owned by The go! Machine, LLC, which is also owned by Derek Weber and Brandon Dempsey. The go! Machine, LLC and goBrandgo, LLC are seeking a \$956,000 SBA 504 loan in connection with the purchase and renovation of the building. A portion of the loan proceeds will be used for the purchase of furniture, fixtures, and equipment.

The SBA 504 loan will have a term of 25 years and an interest rate to be determined by the debenture sale. It will be secured by a second deed of trust on the property located at 8221 Minnesota Avenue (63111) and a security interest in all furniture, fixtures, and equipment purchased with the loan proceeds. The loan will be guaranteed by Derek Weber and Brandon Dempsey.

The total cost of the project will be \$2,321,500. Financing for the project includes a \$1,160,750 loan from CIBC and an equity injection from the borrowers in the amount of \$232,150.

GoBRANDgo currently employs 17 full-time employees and expects to create a minimum of 15 new, full-time equivalent jobs within two years of the loan's funding.

AMENDED RESOLUTION NO. 20-LDC-01
PRESENTED TO THE BOARD 06/11/20

REQUESTED ACTION:

Approval of this Resolution is requested.

NOW, THEREFORE, be it resolved by the Board of Directors of The St. Louis Local Development Company that:

1. The loan to Borrower, as described, and upon the terms and conditions set forth herein, is hereby approved.
2. The proper officers and agents of LDC are hereby authorized to take all action, including but not limited to, execution of all documents, as may be necessary or convenient to carry out the provisions of this Resolution.
3. This Resolution shall take effect and be in full force immediately after its passage and approval by the Board.

ADOPTED this 11th day of June, 2020.

THE ST. LOUIS LOCAL DEVELOPMENT COMPANY

By: _____
Rodney Crim, Vice President

ATTEST:

Timothy Bohnert, Assistant Secretary

RESOLUTION NO. 20-LDC-04
PRESENTED TO THE BOARD 06/11/20

TO: THE ST. LOUIS LOCAL DEVELOPMENT COMPANY BOARD OF
DIRECTORS AND OTIS WILLIAMS, EXECUTIVE DIRECTOR

FROM: TIMOTHY BOHNERT

RE: RESOLUTION APPROVING A LOAN TO CORNERSTONE-STL, INC.

EXECUTIVE SUMMARY:

This Resolution asks the board to approve an SBA 504 loan in the amount of \$173,000 to Cornerstone-STL, Inc., a foundation waterproofing company owned by Dale A. Blaine. The loan proceeds will be used in connection with the purchase of the property located at 4510 S. Broadway.

BACKGROUND:

Cornerstone-STL, Inc., owned by Dale A. Blaine, is a foundation waterproofing company. The company has requested an SBA 504 loan in the amount of \$173,000 to purchase a building at 4510 S. Broadway (63111) in the Mount Pleasant neighborhood.

The SBA 504 loan will have a term of 20 years and an interest rate to be determined by the debenture sale. The loan will be secured by a second deed of trust and an assignment of rents on the property located at 4510 S. Broadway (63111). The loan will be guaranteed by Dale A. Blaine and Leasa A. Blaine. A collateral assignment of life insurance on the life of Dale A. Blaine will also be required in connection with the loan.

The total cost of the project will be \$415,000. Financing for the project includes a loan in the amount of \$207,500 from Meramec Valley Bank and an equity injection in the amount of \$41,500 from the borrower.

REQUESTED ACTION:

Approval of this Resolution is requested.

NOW, THEREFORE, be it resolved by the Board of Directors of The St. Louis Local Development Company that:

RESOLUTION NO. 20-LDC-04
PRESENTED TO THE BOARD 06/11/20

1. The loan to Borrower, as described, and upon the terms and conditions set forth herein, is hereby approved.
2. The proper officers and agents of LDC are hereby authorized to take all action, including but not limited to, execution of all documents, as may be necessary or convenient to carry out the provisions of this Resolution.
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ADOPTED this 11th day of June, 2020.

THE ST. LOUIS LOCAL DEVELOPMENT COMPANY

By: _____
Rodney Crim, Vice President

ATTEST:

Timothy Bohnert, Assistant Secretary

RESOLUTION NO. 20-LDC-05
PRESENTED TO THE BOARD 06/11/20

TO: THE ST. LOUIS LOCAL DEVELOPMENT COMPANY BOARD OF
DIRECTORS AND OTIS WILLIAMS, EXECUTIVE DIRECTOR

FROM: TIMOTHY BOHNERT

RE: RESOLUTION RATIFYING ADDENDUM TO MEMORANDUM OF
UNDERSTANDING AND ADDENDUM TO COMMERCIAL SECURITY
AGREEMENT REGARDING THE SMALL BUSINESS RESOURCE
PROGRAM

EXECUTIVE SUMMARY:

This resolution asks the Board to ratify an Addendum to Memorandum of Understanding and Addendum to Commercial Security Agreement executed by The St. Louis Local Development Company ("LDC") adding LDC as a party to a Memorandum of Understanding ("MOU") and as a Grantor to a Commercial Security Agreement previously executed by the St. Louis Development Corporation ("SLDC"), the St. Louis Economic Development Partnership ("SLEDP"), and a consortium of local banks to obtain \$500,000 in funds to provide loan assistance through the Small Business Resource Program to businesses adversely affected by the COVID-19 crisis.

BACKGROUND:

On March 19, 2020, this Board approved using \$400,000 of LDC's loan funds to provide immediate loan assistance to small businesses in the City of St. Louis adversely affected by the COVID-19 crisis to help these small businesses remain viable and retain employees. At or about the same time, the board of directors of STL Partnership CDC approved using \$350,000 of SLEDP's funds, which is manages, to assist businesses in St. Louis County impacted by the COVID-19 pandemic.

Subsequent to the commitment of these funds, SLDC and SLEDP sought and received an additional \$500,000 in the form of a loan from a consortium of local banks to make additional loan assistance available to businesses in St. Louis City and St. Louis County. The consortium is comprised of Busey Bank, UMB Bank, Commerce Bank, Central Bank of St. Louis, Enterprise Bank & Trust, St. Louis Bank, First Bank, Carrollton Bank, Royal Bank, and Simmons Bank (collectively "the banks"). SLDC and SLEDP entered into a Memorandum of Understanding ("MOU") and a Commercial Security Agreement with the banks whereby they agreed to repay the \$500,000 loan from the loan repayment funds received from the borrowers and to grant the banks a first security interest in the loan repayment funds. LDC was added as a party to the MOU and as a grantor to the Commercial Security Agreement through the Addendum to

RESOLUTION NO. 20-LDC-05
PRESENTED TO THE BOARD 06/11/20

Memorandum of Understanding and Addendum to Commercial Security Agreement, attached hereto as Exhibit A.

As a result of these efforts, the Small Business Resource Program was created to provide zero-interest loans in the amount of \$5,000 each, repayable over a 24-month period, to small business in St. Louis City and St. Louis County. LDC used these funds to make loans to 130 businesses located in the City. SLEDP used these funds to make 120 loans to businesses located in St. Louis County.

REQUESTED ACTION:

This resolution asks the board to ratify the Addendum to Memorandum of Understanding and Addendum to Commercial Security Agreement adding LDC as a party to the MOU and as a Grantor to the Commercial Security Agreement.

NOW, THEREFORE, be it resolved by the Board of Directors of The St. Louis Local Development Company that:

1. The proper officers and agents of LDC are hereby authorized to take all action, including but not limited to, execution of all documents, as may be necessary or convenient to carry out the provisions of this Resolution.
2. This Resolution shall take effect and be in full force immediately after its passage and approval by the Board.

ADOPTED this 11th day of June, 2020.

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Rodney Crim, Vice President

ATTEST:

Timothy Bohnert, Assistant Secretary

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